DOCUMENT RESUME

ED 324 070 JC 900 519

AUTHOR	Newmyer, Joseph; McIntyre, Charles
TITLE	Community College Fees.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	Nov 90
NOTE	21p.; Discussed as Agenda Item 12 at a meeting of the Board of Governors of the California Community Colleges (Sacramento, CA, November 8-9, 1990).
PUB TYPE	Viewpoints (120)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Access to Education; Budgeting; *Community Colleges; Educational Finance; Enrollment Influences; Enrollment Trends; *Fees; Minority Groups; Noninstructional Student Costs; *Paying for College; Policy Formation; School Funds; State Legislation; Statewide Planning; *Student Costs; *Student Financial Aid; Two Year Colleges
IDENTIFIERS	*California

ABSTRACT

Since 1984, the California community colleges have charged an enrollment fee of $5 per credit unit for all students. A 1987 study revealed that the fee contributed to an enrollment decline during the first year, especially among low-income and part-time students, and that the Board Financial Assistance Program (BFAP) for low-income students did not significantly compensate for the fee's impact. In subsequent years, however, enrollment stabilized, and there was a return of low-income and minority students. The statutes authorizing the enrollment fee expire in January 1992. If the fees are not reauthorized, the colleges would lose about $70 million annually, one or more programs would lose funding, and there would be no mechanisms for distributing BFAP funds to low-income students. To forestall these problems and promote the enrollment of underrepresented groups, the following policies have been proposed: (1) apply a cost of living adjustment to the fee that would raise it to $6 per unit up to $60 per semester in an estimated 3 to 4 years; (2) continue the present BFAP program; (3) increase the health fee maximum from $7.50 per semester to $10 per semester and continue to exempt BFAP recipients from this fee; (4) remove the mandate that all colleges must maintain their 1987 level of health services; (5) clarify and standardize practices involving instructional materials charges. Appendixes summarize principles and policies on fees and financial aid, costs of attending a community college full time, distribution of community college students by income level, financial assistance awarded in 1984-85 and 1989-90, and statewide general fund revenues. (GFW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED324070

COMMUNITY COLLEGE FEES

By
Joseph Newmyer
Charles McIntyre

November 1990

JC900519

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

T. Smith

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☑ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Discussed as Agenda Item 12 at the meeting of the Board of Governors of California Community Colleges (Sacramneto, CA, November 8-9, 1990).

COMMUNITY COLLEGE FEES 12

First Reading, Action Pending, January Board Meeting

Background

Statutes authorizing the community college enrollment fee and the Board Financial Assistance Program (BFAP) sunset, or expire, on January 1, 1992. The enrollment fee is $5 per credit unit, up to a maximum of $50 per semester. The BFAP grants offset the fee for low-income students.

If the statutes were to expire, the colleges would lose about $70 million annually in enrollment fees that subsidize apportionments, and one or more programs could lose funding. At the same time, ten other fees that were eliminated in 1984 would be reinstated. While the $14 million in BFAP funds would be protected, there would be no mechanism for distributing the grants to students. Because of this and the need to inform students early about changes in fees, the Board of Governors needs to recommend legislation for consideration in January 1991.

A proposed policy statement on student fees and financial aid has been prepared by Chancellor's Office staff and is undergoing consultation. The agenda item that follows presents that proposed policy, together with policy options and pertinent arguments.

Analysis

Community colleges are authorized to charge 14 different student fees. The enrollment fee and nonresident tuition support general operations; the other fees are for specific services such as parking. About $175 million in student fees was collected in 1989-90. Fees comprise about one-tenth of the direct, out-of-pocket costs of a community college student's education. These costs include books and supplies, transportation, and child care.

During 1989-90, BFAP grants totaling more than $13 million were awarded to 160,000 low-income students to offset the enrollment fee. These grants represented less than one-tenth of the estimated $211 million in grants, loans, and work aid received by community college students during 1989-90.

A study of the impact of the enrollment fee revealed that it contributed to a reduction in enrollment during the first year, 1984, but not thereafter. While BFAP had less than the expected impact in that first year, the program exerted a positive impact on access from then on.

While access, which is measured as community college enrollment divided by the adult population, has improved recently, especially for Hispanics, it appears to be below its 1980 level, especially for Blacks. As noted in the Board's *1990-91 Basic Agenda*, it is essential that community colleges continue to expand access, particularly for those from underrepresented groups, if the state's economic and social development is to continue without disruption.

At present, the enrollment demand at community colleges exceeds the supply of available programs and courses. This is because (1) the state's population is increasing rapidly, and (2) individuals are anticipating unemployment or underemployment and desire retraining. The funding cap prevents colleges from responding fully to this demand, and the University of California and the California State University are having to restrict their undergraduate enrollments. The enrollment demand for community colleges is expected to be strong throughout this decade, especially when the number of California high school graduates starts to increase in 1992.

The principles on student fees and financial aid adopted by the Board of Governors in January 1987 are consistent with those adopted subsequently by the Master Plan Review Commission and the Joint Legislative Committee for Review of the Master Plan.

Staff recommends that the Board first review and reaffirm those principles, and then give serious consideration to adopting a revised set of student fee policies that would: (1) apply a cost-of-living adjustment (COLA) to the enrollment fee; (2) eliminate health service mandates, but increase the permissive fee; and (3) clarify the use of instructional materials charges. Alternatives to these policies appear to be either detrimental to access, administratively ineffective, or of little consequence.

Staff Presentation: *Joseph Newmyer, Vice Chancellor*
Fiscal Policy

Charles McIntyre, Director
Research and Analysis

Community College Fees

Introduction

Statutes authorizing the community college enrollment fee and the Board Financial Assistance Program (BFAP) sunset, or expire, on January 1, 1992. The enrollment fee is $5 per credit unit, up to a maximum of $50 per semester. The BFAP grants offset the fee for low-income students.

If the statutes were to expire, the colleges would lose about $70 million annually in enrollment fees and one or more programs could lose funding. At the same time, ten other fees that were eliminated in 1984 would be reinstated. While the $14 million in BFAP funds would be protected, there would be no mechanism for distributing the grants to students. Because of this and the need to inform students early about changes in fee, the Board of Governors needs to recommend legislation for consideration in January 1991.

The enrollment fee and BFAP were first authorized by the Legislature in 1984, with a sunset, or expiration, date of January 1, 1988. After a staff study of that policy's impact, the Board of Governors proposed extending the fee and aid provisions of that policy. The Legislature responded by extending the legislation with minor modifications, but with another sunset date, January 1, 1992.

A proposed policy on student fees and financial aid has been prepared by Chancellor's Office staff and is in Consultation. This agenda item presents that proposed policy, together with policy options and pertinent arguments.

Principles

In January 1987, the Board of Governors adopted the four principles on student fees that are set forth below. These principles are consistent with those adopted subsequently by the Master Plan Review Commission and by the Joint Legislative for Review of the Master Plan (Appendix A).

- **Community college fees should be low, reflecting an overall policy that the state bears the primary responsibility for the cost of community college education.**

Although fees are low, recent studies show that community college students support about one-fourth of the total direct costs of their instruction, student services, transportation, books and supplies, and child care – and far more than that if the cost of room and board is included (Appendix B). Community college students finance well over half of the cost of their education if the value of opportunities for work and other pursuits lost to students because of the time needed for commuting, class

attendance and studying is included. And, community college students often have difficulty meeting these costs. The incomes of these students are substantially lower than incomes of the general population (Appendix C).

- **Community college fees should be predictable, should change in a modest fashion in relation to the cost of education, and their burden should be equitably distributed among students.**

Marked fluctuations in fees make it difficult for students to plan for college, and therefore, their college-going decisions may not be effective as a result. Uncertainty about future fee charges make student decisions similarly difficult.

Students in similar circumstances and receiving similar services, generally should be paying similar fees or a similar portion of the service costs, regardless of which community college they attend. Some services like parking should be charged at full or partial cost to the students that use them; other services like health charged at full or partial cost to all students; and still other services, notably instruction, should be subsidized by the taxpaying public.

- **Financial aid should be sufficient to offset fees that may pose a barrier to the access of low-income students.**

Traditionally, community colleges have been low-cost institutions. Consequently, there has been relatively little emphasis on the provision and delivery of financial aid. This became evident in 1984, when the impact of the enrollment fee was not offset by the provision of BFAP grants. This was due in part to inadequate staffing of campus financial aid offices.

Financial aid for community college students is becoming increasingly important as costs rise and as a larger proportion of students come from low-income families that are the least able to pay educational costs. Moreover, it does not appear that financial aid has kept pace with educational costs in recent years (Appendix D). Since 1985, the real (price-adjusted) value of financial aid has declined, while the number of students eligible for aid has increased.

- **Fee and financial aid policies should be consistent with fiscal and academic policies in supporting the dual objectives of access and excellence.**

Student fee and financial aid policies should be consistent with Board policies designed to increase academic standards, and to expand access and assure excellence through matriculation services such as assessment, advisement, and follow-up.

Financial aid policies should enable students to carry a proper course load. They should target low-income students whose academic progress may be slowed because they must work to meet expenses. And, even the most effective financial aid are of

little use if course schedules conflict with the hours during which students normally work.

Current Policies

At present, community colleges are authorized to charge up to 14 different student fees (Appendix E). All students pay the enrollment fee. Revenues from this fee, together with revenues from the tuition charged nonresident students (who pay a rate equal to the college's cost of education), support the general operations of the college. Community service classes are entirely self-supporting from fees charged those who enroll. In addition, students are charged for specific services such as parking and, in limited cases, dormitory accommodations. An estimated $175 million in fees were collected from students during 1989-90.

As noted, statutes authorizing the enrollment fee and the BFAP sunset January 1, 1992, – in the middle of the 1991-92 fiscal and academic years. About $35 million (roughly half) of the anticipated 1991-92 revenues from the enrollment fee, which subsidizes apportionment, would be lost and one or more special programs could lose funding. And, while the $15 million appropriated for BFAP would be protected, there would be no mechanism for distributing the grants to low-income students. Other fees, such as those for health and parking, would remain in effect, and ten additional fees that were eliminated in 1984 would be reinstated.

Enrollment Demand, Access, and Equity

The reasons underlying the decision to attend college are many and complex. Most studies have found that changing costs, availability of employment, awareness of educational programs, and admissions policies of other postsecondary institutions, together with the influence of parents and peers, are the most important factors in such decisions.

The open-door admissions policy of Californias Community Colleges, together with the state's population growth, has resulted in a generally continuous, increase in enrollments since 1960, with the exception of significant declines in 1978, 1982, 1983, and 1984 (Figure 1). The declines during the first three of those years were the result of cuts in State funding, while the last was due primarily to the introduction of the enrollment fee.

After a detailed survey in 1987, Chancellor's Office staff concluded that the enrollment fee, combined with several other factors, contributed to the 1984 enrollment loss. The BFAP program did not, to any significant degree, compensate for impact of the fee during its first year, 1984. Low-income, Black, and part-time students were the most affected by the fee. The survey data suggested that, other things being equal, an increase of 10 percent in the cost of attending a community college would

result in an enrollment loss of 7 percent, a finding consistent with results of other similar studies.

In 1985, the second year of the fee, credit enrollment stabilized and there was a slight return of low-income students, probably due to the large increase in the number of BFAP grants. Both credit and noncredit enrollments increased in Fall 1986 and have continued to do so since then. (A preliminary survey of Fall 1990 enrollment suggests that enrollments have increased substantially for the fourth straight year – by between 4 and 5 percent.) This growth has taken place despite the presence of two factors that ordinarily inhibit enrollments: (1) generally low unemployment, and (2) lagging State funding that resulted in 36,000 ADA, or over 70,000 enrollment, not being supported by apportionments.

Access, which is measured as community college enrollment divided by the adult population, has increased recently (Figure 2). Hispanics have recorded the largest increase since 1985, but continue – as they have historically – to be the least represented of California's four major racial and ethnic groups. Blacks also are underrepresented, a fact that is all the more significant because they were the most highly represented group during mid 1970s. By contrast, the enrollment of Asians in community colleges has gradually increased since the 1970s, including a 1980 high resulting from the first wave of immigrants from Southeast Asia.

As noted in the Board's *1990-91 Basic Agenda*, it is imperative that community colleges enroll more students from underrepresented groups in the future – not only from the standpoint of equity, but also from the standpoint of the state's future social and economic stability.

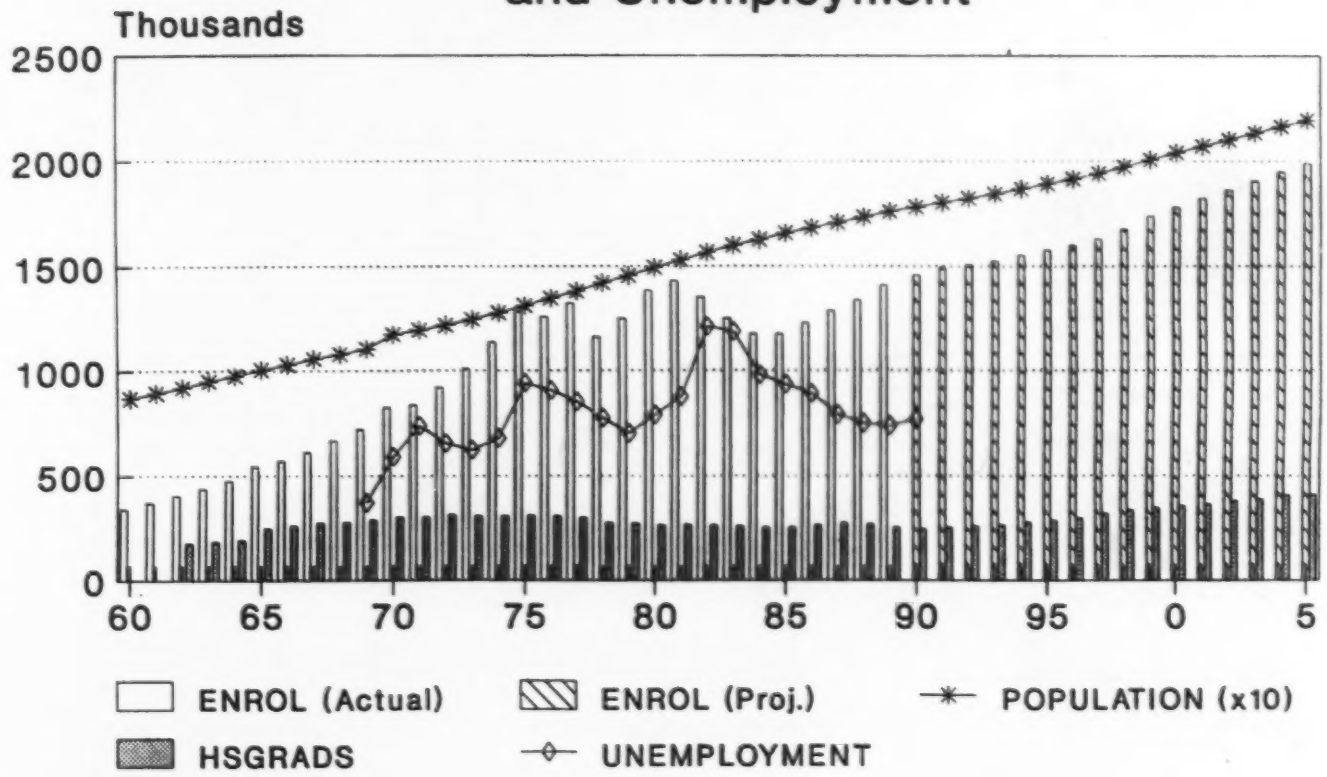
Currently, half of all the workers in California are White males. By contrast, less than one of every five new workers entering the state's workforce during the next decade will be a White male. Those who will constitute the majority of new workers – women and minorities – traditionally have been underrepresented in postsecondary education. Much of the growth in new jobs – often requiring higher-level skills – will take place in occupations that do not typically employ those who will comprise the bulk of the new work force. This is significant for the community colleges because they train the workers for most of these new jobs and because they enroll more individuals from the groups that make up the workforce than do other institutions. Improvement in the access of these individuals will require the colleges to keep student fees and other costs low, and allocate available financial aid effectively.

Proposed Policies

The following policies on student fees and financial aid are proposed without any sunset feature. Five years of experience are sufficient to argue that these policies can remain in effect until such time as demographic or economic factors, or factors internal to the Community Colleges, warrant further study and possible change.

Figure 1

Community College Enrollment In California (1960-2005), 18-64 Population, HS Graduates, and Unemployment

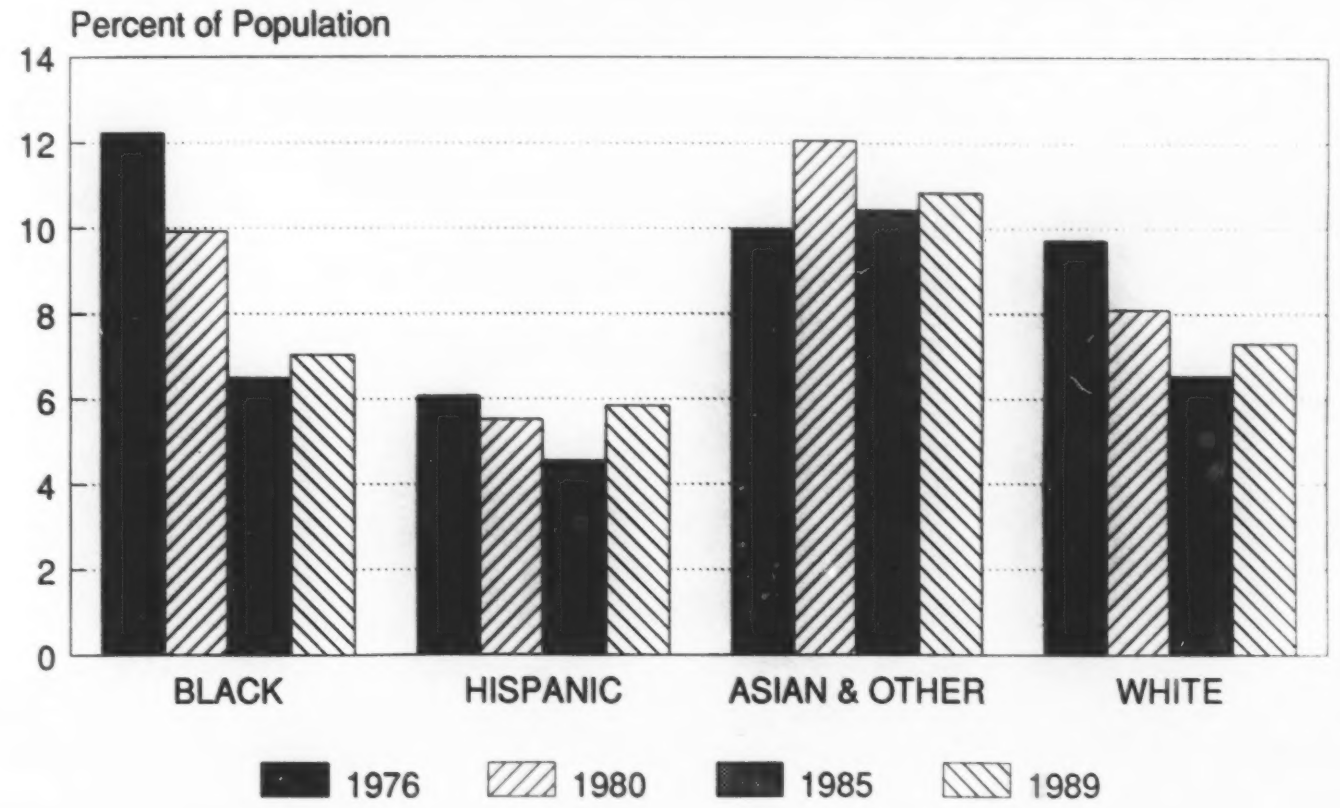


Sources: COCCC,DOF,WICHE,EDD

Insert to Item 12

Figure 2

California Community Colleges Enrollment As Percent of Population By Ethnicity



Source: DRU-DOF, COCCC

Insert to Item 12

- **Extend the enrollment fee at the current $5 per unit up to $50 per semester. Each year, apply the same COLA to this fee as is applied to the apportionment and once the calculation exceeds $1 above the existing fee, raise the fee to $6 per unit up to $60 per semester. (This should take three or four years.)**

This fee policy is consistent with existing Board policy and with the recommendations of the Master Plan Review Commission and the Joint Legislative Committee on the Master Plan.

The concept of low, but modestly increasing, fees is consistent with the Community Colleges' role in providing access to large numbers of low-income students. In contrast to other institutions of higher education, community colleges serve students whose incomes are substantially lower than those of the taxpayers who subsidize their education.

The Community Colleges' role in educating and training formerly underrepresented groups will become increasingly important to the economic development of California. Consequently, the provision of access to those who often are underprepared and with low incomes, demands that admissions be open and that the costs facing these students be nominal.

- **Continue the present BFAP program.**

While community college fees are relatively low, students still contribute at about one-fourth of the total costs of their education, if transportation, books and supplies and child care are considered – even more if the costs of room, board, and lost work opportunities are taken into account. Experience shows that even small marginal additions to cost can deter low-income students from enrolling. Thus, it is important that BFAP continue to be available to offset the enrollment fee for these students.

- **Increase the health fee maximum from $7.50 per semester to $10 per semester and continue to exempt BFAP recipients from this fee. Also, remove the mandate that all colleges must maintain at least their 1987 level of health services.**

Currently, community college health fees cover only 85 percent of the cost of providing these services. In theory, uncovered costs could be recovered from the State Mandates Claim Fund, since colleges are required to maintain at least their 1987 level of health services. However, not all colleges recover their costs from this source. An increase in the fee colleges are allowed to charge is necessary if colleges are to cover costs. And, continuing to exempt BFAP recipients prevents the lowest income students from having to pay this fee.

A recent review of community colleges in eight other large states showed that no other state mandates health services at its colleges. Given the diversity of locations, clientele, and availability of nearby health services, colleges should have the option of determining the level of health services they offer.

- **Clarify the practice involving instructional materials charges.**

Colleges may require students to pay for materials that have continuing value outside the classroom. For example, students in a fine arts course may be required to provide their own clay. There are indications, however, that colleges are assessing these charges in different ways. Clarifying language in Title 5 could help standardize this practice.

APPENDIX A

Principles and Policies on Fees and Financial Aid

Board of Governors	Master Plan Review Commission	Joint Legislative Committee on the Master Plan
• Fees should be low. State bears primary responsibility for cost	Fees should be low. State shall be primarily responsible for funding	Shall be tuition-free. State has primary responsibility for funding
• Fee changes modest	Fee changes not substantial	Fee changes not substantial
• Changes predictable	Changes predictable	Changes predictable
• Relate fees to cost	Relate fees to State support	Relate fees to State support
• Use aid to offset fees for low-income students	Use aid to offset fees for low-income students	Use aid to offset fees for low-income students
• Make fee, fiscal and academic policy consistent	Make fee, fiscal and academic policy consistent	Make fee, fiscal and academic policy consistent
• Give Board authority to set fee policy	Give Board authority to set fee policy	Give Board authority to set fee policy
• Expand financial aid offices	Expand financial aid offices	Expand financial aid offices
• Expand financial aid	Expand financial aid	Expand BFAP beyond fee costs

Sources: Commission for Review of the Master Plan for Higher Education (1987). *The Master Plan Renewed*. Sacramento.

Joint Legislative Committee for Review of the Master Plan for Higher Education (1987). *California Faces . . . California's Future*. Sacramento.

Board of Governors, California Community Colleges (1987). *Community College Fees and Financial Aid*. Agenda Item #1, January 1987.

APPENDIX B

Average Cost for a Full-Time Student to Attend a California Community College

	Student Living with Parents	Self-Supporting Student
Fees	$ 100*	$ 100
Transportation	324	324
Books and Supplies	504	504
Room and Board	1,512	4,991
Miscellaneous	1,224	1,224
Total	$3,664	$7,143

*Includes only enrollment fee.

Source: Chancellor's Office, 1990.

APPENDIX C

Distribution of Community College Students and California Adults, by Income Level

1985-1986

Income	All California Householders Aged 40 to 54 Years	Parental Income of Dependent Students
<$12,000	11.3%	19.9%
$12,000 - 24,000	15.9	21.5
$24,000 - 36,000	21.1	23.7
>$36,000	51.7	34.9
Total	**100.0%**	**100.0%**
Median Income	$ 36,961	$ 29,900

Income	All California Adults	Self-Supporting Students
<$12,000	21.1%	30.0%
$12,000 - 24,000	23.0	25.7
$24,000 - 36,000	20.2	24.8
>$36,000	35.7	19.5
Total	**100.0%**	**100.0%**
Median Income	$ 26,974	$ 20,700

Sources: Field Research Corporation, 1986; California State Department of Finance Data Files; and Chancellor's Office, California Community Colleges, 1987.

APPENDIX D

TABLE 1
Financial Assistance Awarded to CaliforniaCommunity College Students
1984-85 and 1989-90

	1984-85		*1989-90*	
	$ Millions	**Percent**	**$ Millions**	**Percent**
Federal				
GSL, NDSL	$ 68.5	37.3%	$ 42.3	20.1%
Pell Grants	54.1	29.4	78.0	37.0
Other Grants	8.2	4.5	12.6	6.0
Work-Study	11.1	6.0	15.4	7.3
Total	**$ 141.9**	**77.1%**	**$ 148.3**	**70.4%**
State				
BFAP	4.9	2.7	11.1	5.3
CAL Grants	10.3	5.6	17.5	8.3
EOPS	8.6	4.7	8.6	4.1
Total	**$ 23.8**	**12.9%**	**$ 38.2**	**17.7%**
Institutional/Other	18.3	10.0	23.8	11.3
Total	**$ 184**	100.0%	**$ 210.3**	**100.0%**

Source: Chancellor's Office, 1990.

TABLE 2
Percent of Total Aid by Type
1980, 1985, 1990

Aid Type	*1980*	*1985*	*1990*
Grants	55%	47%	62%
Loans	41	50	21
Work-Study	4	3	17
Total	**100%**	**100%**	**100%**

Source: Chancellor's Office, 1990.

California Community Colleges
Statewide General Fund Revenues – Student Charges and Fees
For 1984-1989 Periods

Description	For Fiscal Years				
	1988-89	*1987-88*	*1986-87*	*1985-86*	*1984-85*
Child Development Services	$ 0	$ 0	$ 486,888	$ 444,678	$ 1,345,325
Community Service Classes	14,963,981	15,399,609	13,888,289	14,536,990	13,113,835
Course Addition	307,664	62,830	0	0	0
Course Deletion	314,446	1,006,181	6,951,828	6,399,727	6,229,262
Dormitory	165,309	173,540	81,375	71,058	73,067
Enrollment Fee	68,826,552	67,141,266	68,767,773	68,034,870	64,439,659
Field Trips	115,838	35,546	21,478	21,905	21,400
Health Services	8,478,935	3,013,544	0	0	0
Instructional and Other Materials	1,090,992	1,331,737	1,074,751	640,371	398,128
Insurance	337,643	14,420	30,424	44,680	124,377
Late Application and Student Records	858,206	648,546	837,841	839,329	909,844
Nonresident Tuition	42,907,798	40,526,775	37,754,683	35,436,158	32,828,291
Parking Fees	18,511,718	16,577,854	14,282,907	12,950,248	12,642,871
Other Student Fees and Charges	6,911,910	5,289,822	5,494,405	4,780,418	4,768,424
Total, Student Fees and Charges	**$ 163,790,992**	**$ 151,221,670**	**$ 149,672,642**	**$ 144,200,432**	**$ 136,894,483**
Total Revenues, General Fund	**$ 2,551,978,184**	**$ 2,304,922,777**	**$ 2,127,136,985**	**$ 2,051,199,611**	**$ 1,836,513,624**

Source: CCFS-311, 1984-1989 fiscal periods, General Fund Revenue Detail.
Fiscal Services Unit
RI, 4/6/90, amended 4/9/90

APPENDIX E

Community College Fees

Education Code Sections (ECS)

1. *Child Development Services (ECS 79121, 8249)* – Fee rate is established by State Superintendent of Public Instruction and public assistance recipients are exempted.

2. *Community Service Classes (ECS 78305, 78462.5)* – Charge not to exceed actual cost of providing class.

3. *Course Addition (ECS 72250.5)* – Maximum of $1.00 per course.

4. *Course Deletion (ECS 72250)* – Maximum of $20.00 for dropping one or more courses any time after two weeks from commencement of instruction.

5. *Dormitory (ECS 81900)* – Fees are to cover cost of operation including debt service.

6. *Enrollment Fee (ECS 72252)* – Charged @ $5.00 per unit with $50.00 maximum.

7. *Field Trips (ECS 72640, 72245)* – No fee for instructionally related field trips within the state. Students cannot be excluded due to lack of personal funds. Meals and lodging are excluded from this cost.

8. *Health Services (ECS 72246)* – Maximum of $7.50 per semester and $5.00 for summer school may be charged.

9. *Instructional and Other Materials (ECS 78930, 81458)* – Charges not to exceed actual cost of materials.

10. *Insurance (ECS 32221, 72641, 74670)* – Students may be charged for actual cost of insurance required by law.

11. *Late Application and Student Records (ECS 72251, 76223)* – The college may charge a maximum of $2.00 for late applications. College may charge students for cost of furnishing transcript; however, the first two transcripts shall be free.

12. *Nonresident Tuition (ECS 76140)* – Maximum is determined by formula and the district may waive any part or all of the fee.

13. *Parking Fees (ECS 72247)* – Maximum of $20.00 per semester and $40.00 per year. The fee may be reduced for students who carpool and the maximum for students receiving financial assistance is $20.00 per semester. Governing board may raise fee above $40.00 maximum if specific findings justify it. The actual fee in no instance may exceed the actual cost of parking services.

14. *Cost of Transportation (ECS 72248)* – The district may charge student users up to $20.00 per semester and $40.00 per regular year maximum for the cost of transportation service. This limit may be raised if specific findings justify it.

15. *Course Audits (ECS 72252.3)* – Students may be charged up to $15.00 per unit for auditing a course.

ERIC Clearinghouse for Junior Colleges
NOV 09 1990